



United States Senate
**Committee on Small Business
and Entrepreneurship**

Olympia J. Snowe, Chair

For Immediate Release: April 11, 2006
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**SNOWE: ENERGY DEPARTMENT MUST MANAGE
SMALL BUSINESS CONTRACTS BETTER TO
CONTINUE PROGRESS**

*GAO Report Finds Small Business Access to Contracts Has Increased, but Remains
Hindered by Business-As-Usual with Large Contractors*

Washington, D.C. - Senator Olympia J. Snowe (R-ME), Chair of the Senate Committee on Small Business and Entrepreneurship, today released a report of the Government Accountability Office (GAO) which found that the Department of Energy (DOE) has made progress in its efforts to award more contracts to small businesses, but that most large DOE management contracts have been largely immune from small business competition.

According to the GAO report, from 2001 to 2005 "DOE procurement dollars awarded to small businesses as prime contracts increased steadily ... and the amount nearly doubled...." DOE's total small business procurement contracts increased from \$588.6 million in 2001 to \$947.6 million in 2005. However, the GAO found that DOE's progress is hindered by "traditional reliance" on a group of large facility management contractors and by management practices which fall short of the Government Performance and Results Act. The report found that DOE has not specified the concrete steps the department will take to achieve its small business goals, and it does not use information to evaluate and improve program performance. In 4 of the last 5 years, the DOE fell short of its statutory small business goals, and small firms received less than 5 percent of the Department's \$22.8 billion in contracts.

"Together with my colleagues, I will continue diligent oversight of the Energy Department to increase the share and number of small business contracting opportunities," Snowe stated. "This report confirms that the Energy Department has made progress, but that a significant amount of work must be done to ensure greater competition. I will closely monitor the Department's implementation of the GAO's recommendations."

The report, *DOE Contracting: Improved Program Management Could Help Achieve Small Business Goal*, GAO-06-501, also praised reforms DOE has sought, such as expanding its small business development and outreach activities and revamping its mentor-protégé program, which pairs an established contractor with a less-experienced small business protégé.

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